

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF HIMA-SIBERT)	
WATER DISTRICT)	
)	
_____)	CASE NO.
)	91-242
ALLEGED VIOLATION OF KRS CHAPTER 278)	

O R D E R

On July 31, 1991, the Commission issued a show cause Order against Hima-Sibert Water District ("Hima-Sibert"). The Order alleged that, prior to 1988, Hima-Sibert was not paying interest on customer deposit refunds as required by KRS 278.460, and that from 1988 to the present, Hima-Sibert inconsistently paid interest on customer deposit refunds.

Commission Staff and a representative of Hima-Sibert held an informal conference on August 28, 1991. As a result of that conference, Staff and Hima-Sibert have entered into the Settlement Agreement which is attached hereto as Appendix A. Pursuant to the terms of the Settlement Agreement, Hima-Sibert agrees to pay a penalty of \$100 in settlement of this matter.

Having reviewed the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement is reasonable and lawful and is supported by substantial evidence of record.

IT IS THEREFORE ORDERED that:

1. The terms and conditions set forth in the Settlement Agreement are hereby approved and adopted.

2. The Settlement Agreement, attached hereto as Appendix A, is incorporated herein by reference as if fully set forth herein.

3. Within 30 days of the date of this Order, Hima-Sibert shall tender to the Commission a check in the amount of \$100, said check to be payable to the Kentucky State Treasurer as settlement in full of this matter and mailed to the Kentucky Public Service Commission at 730 Schenkel Lane, Frankfort, Kentucky.

4. Within 20 days after December 31, 1991, Hima-Sibert shall file with the Commission an itemized list with names and addresses showing the status of all customer deposits as of December 31, 1991. This list shall include the amount of the deposit, the date deposit was received, and if refunded to the customer, the date refunded and the amount of the refund including interest.

Done at Frankfort, Kentucky, this 14th day of October, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director

Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-242 DATED 10/14/91

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AN INVESTIGATION OF HIMA-SIBERT)	
WATER DISTRICT)	
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_____)	CASE NO. 91-242
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SETTLEMENT AGREEMENT

On July 31, 1991, the Commission issued a show cause Order against Hima-Sibert Water District ("Hima-Sibert"). The Order alleges that, prior to 1988, Hima-Sibert was not paying interest on customer deposit refunds as required by KRS 278.460, and that from 1988 to the present, Hima-Sibert inconsistently paid interest on customer deposit refunds.

Commission Staff and a representative of Hima-Sibert held an informal conference on August 28, 1991 to discuss the status of this proceeding. At the conference, Hima-Sibert provided Staff with a computer printout which reflected that the deposits of customers are currently being accounted for in a manner consistent with Commission statutes and regulations. As a result of that conference, Staff and Hima-Sibert have entered into this proposed Settlement Agreement with the understanding that its effectiveness is conditioned upon acceptance by the Commission.

Hima-Sibert stipulates that interest on customer deposit refunds from 1988 to the present has been paid inconsistently.

However, Hima-Sibert submits that the current management of the water district has attempted to comply with Commission statutes and regulations, is presently setting aside deposit money in a separate account in accordance with Staff's directives, and is calculating and refunding interest on deposits in accordance with KRS 278.460.

Hima-Sibert further stipulates that it has contacted all of its customers who are identifiable in the utility's records as having had a deposit refunded over the last few years, has questioned the customers as to whether interest was refunded on their deposit, and has paid any interest owed if the customer claimed interest was not paid.

In a joint effort to resolve this matter and to avoid additional time and expense on both the part of the Commission and Hima-Sibert, the signatories hereto agree to the compromise of the case as set out herein.

NOW, THEREFORE, the signatories agree that:

1. Hima-Sibert shall pay to the Commission a fine of \$100 in settlement of this proceeding. Said penalty shall be forwarded to the Commission within 30 days of entry of an Order of the Commission approving and adopting this Settlement Agreement.

2. Within 20 days after December 31, 1991, Hima-Sibert shall file with the Commission an itemized list with names and addresses showing the status of all customer deposits as of December 31, 1991. This list shall include the amount of the deposit, the date deposit was received, and if refunded to the


customer, the date refunded and the amount of the refund including interest.

3. This Settlement Agreement constitutes a final adjudication of the allegations raised in the Commission's show cause Order of July 31, 1991.

AGREED TO:


KATHLEEN B. DORMAN
Counsel for Commission Staff

10/1/91
(date)


LEONARD VALLANCE
Chairman, Board of Commissioners
Hima-Sibert Water District

9-28-91
(date)